

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA) CRIM. NO. 15cr10203
)
) VIOLATIONS
v.)
KEITH A. EATON.) 26 U.S.C. §7201 (Attempt
) to Evade or Defeat a Tax)
)
Defendant.) 26 U.S.C. §7206(1) (Filing a
) False Tax Return)
)
) 26 U.S.C. §7203 (Willful Failure
) to File a Return)

INDICTMENT

The Grand Jury charges that:

INTRODUCTION

At times relevant to this Indictment,

1. The defendant KEITH A. EATON (Eaton), a resident of West Bridgewater, Massachusetts, worked in the business of installing, maintaining and repairing heating and air conditioning units (HVAC).
2. The Internal Revenue Service (IRS) is and was an agency of the United States Department of the Treasury. The IRS has responsibility for the ascertainment, computation, assessment, and collection of taxes, including income taxes.
3. EATON did not file federal income tax returns for the years 1998 through 2003. In or about May 2004, the IRS assessed against EATON approximately \$280.337 in

taxes, interest, and penalties for the years 1998 through 2001.

4. From approximately November 2004 to April 2008, EATON worked at an HVAC company located in Brockton, Massachusetts. From 2004 to 2008, EATON received income from the company in the following amounts: \$15,000 in 2004, \$80,804 in 2005, \$92,999 in 2006, \$95,286 in 2007, and \$29,394 in 2008. Because EATON requested that taxes not be withheld from his pay for the tax years 2004 through 2008, the HVAC company provided EATON with Forms 1099 reflecting his income. EATON did not file timely Forms 1040 with the IRS for these years.

5. In or about November 2008, EATON began operating Eaton Mechanical, LLC, another HVAC business. Although EATON controlled and operated the business, he caused the company to be registered with the town of West Bridgewater in the name of a nominee and caused the nominee to be listed as the sole signatory on the business' bank account.

6. In or about November and December 2009, EATON caused to be submitted to the IRS false Forms 1040 for himself for the years 2000 through 2008 which he knew failed to report his income for those years. Defendant EATON submitted, along with some of these false Forms 1040, Forms 1099-MISC in which he changed to zero the amount of non-employee compensation that had been reported as received by EATON from the companies for whom he had performed work. For instance, EATON attached to his 2004 Form 1040 an altered Form 1099-MISC in which he changed the amount of non-employee compensation he received from a HVAC company from \$15,000 to \$0.

7. To thwart the IRS's collection efforts, EATON paid personal expenses with cash. For example, from at least January 2008 through June 2012, EATON paid more than \$175,000 in mortgage payments by and through Western Union.

COUNT ONE
Attempt to Evade or Defeat Tax
(Title 26, United States Code, Section 7201)

8. The Grand Jury realleges and incorporates by reference paragraphs one through seven of this Indictment and further charges that:

9. From in or about November 2008, and continuing up to the date of this Indictment, in the District of Massachusetts and elsewhere, the defendant,

KEITH A. EATON,

did willfully attempt to evade and defeat the payment of a large part of the income tax, interest, and penalties due and owing by him to the United States of America for the calendar years 1998 through 2001, by committing affirmative acts of evasion, including but not limited to:

- a. causing Eaton Mechanical, LLC to be registered and operated in the name of a nominee rather than in his own name;
- b. causing a business account for Eaton Mechanical, LLC to be opened and maintained in the name of a nominee rather than in his own name;
- c. filing false tax returns and false Forms 1099-MISC for the years 2004 through 2008; and
- d. using cash to pay personal expenses.

All in violation of Title 26, United States Code, Section 7201.

COUNTS TWO THROUGH SIX
Filing of a False Income Tax Return
(Title 26, United States Code, Section 7206(1))

10. The Grand Jury realleges and incorporates by reference paragraphs one, two, four, five and six of this Indictment and further charges that:

11. On or about the dates set forth below, in the District of Massachusetts and elsewhere, the defendant

KEITH A. EATON,

did willfully make and subscribe a U.S. Individual Income Tax Return (Form 1040) for each tax year identified below, each of which returns was verified by a written declaration that it was made under the penalties of perjury, which returns EATON did not believe to be true and correct as to every material matter, to wit: the Forms 1040, for the tax years identified below, which were filed with the IRS, stated at line 22 that EATON reported total income in the amounts identified below whereas, as EATON then and there knew, EATON received substantially more income than reported, to wit:

Count	Approximate Filing Date	Tax Year	Line Item	Amount Reported
2	November 17, 2009	2004	Line 22 Total Income	\$0
3	November 17, 2009	2005	Line 22 Total Income	\$0
4	December 1, 2009	2006	Line 22 Total Income	\$0
5	December 1, 2009	2007	Line 22 Total Income	\$0
6	December 1, 2009	2008	Line 22 Total Income	\$0

All in violation of Title 26, United States Code, Section 7206(1).

COUNTS SEVEN THROUGH TEN
Willful Failure to File a Return
(Title 26, United States Code, Section 7203)

12. The Grand Jury realleges and incorporates by reference paragraphs one and two of this Indictment and further charges that:

13. During the calendar years set forth below, the defendant,

KEITH A. EATON,

had and received gross income in excess of the amounts of minimum gross income set forth below. By reason of such gross income, he was required by law, following the close of the calendar year and on or before the due dates set forth below, to make an income tax return to the IRS, stating specifically the items of his gross income and any deductions and credits to which he was entitled. Well knowing all of the foregoing, EATON did willfully fail, on or about the dates set forth below, in the District of Massachusetts and elsewhere, to make an income tax return as required by law:

Count	Calendar Year of Tax Return	Minimum Gross Income	Due Date of Return
7	2009	\$18,700	April 15, 2010
8	2010	\$18,700	April 18, 2011
9	2011	\$19,000	April 17, 2012
10	2012	\$19,500	April 15, 2013

All in violation of Title 26, United States Code, Section 7203.

A TRUE BILL

Date:



FOREPERSON

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